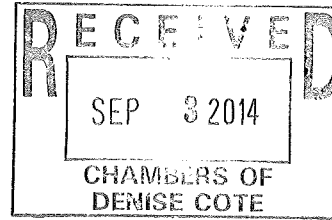


September 2, 2014

MEMO ENDORSED



The Honorable Denise L. Cote
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Room 1610
New York, NY 10007-1312

Re: *FHFA v. HSBC N. Am. Holdings Inc.*, No. 11 Civ. 6189 (DLC) (S.D.N.Y.)

Dear Judge Cote:

Plaintiff Federal Housing Finance Agency and Defendants HSBC North America Holdings Inc., *et al.* (collectively, the "Parties") write jointly to inform the Court that the Parties have agreed in principle, and on a highly confidential basis, to settle the above-referenced action (the "Action"), and are working diligently to complete the necessary documentation for this settlement by Friday, September 12, 2014. The Parties therefore respectfully request a stay of proceedings in the Action until Monday, September 15, 2014.

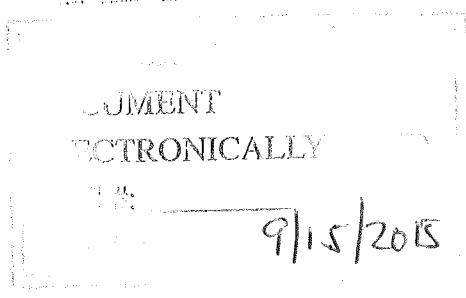
Respectfully submitted,

/s/ Philippe Z. Selendy
Philippe Z. Selendy
(philippeselendy@quinnemanuel.com)
QUINN EMANUEL URQUHART &
SULLIVAN, LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010-1601
(212) 849-7260

*Attorneys for Plaintiff Federal Housing Finance
Agency in FHFA v. HSBC N. Am. Holdings Inc.*

/s/ Damien J. Marshall
Damien J. Marshall
(dmarshall@bsfilp.com)
BOIES, SCHILLER & FLEXNER LLP
575 Lexington Avenue
New York, New York 10022
(212) 909-7617

*Attorneys for Defendants HSBC North America
Holdings Inc., HSBC USA Inc., HSBC Markets
(USA) Inc., HSBC Bank USA, N.A., HSI Asset
Securitization Corporation, HSBC Securities
(USA) Inc., Neal Leonard, Gerard Mattia,
Todd White, and Jon Voigtman*



Seal
*The stay request is granted.
Workday of this order is delayed to 9/15/14.
Denise Cote
9/3/14*